

LNF & IHCIF Calculations Illustration **- TUBA CITY in Navajo area -**

Given Data

- 29,037 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 105.3% = Cost index for purchasing health care in this geographic area
- 87.3% = Size cost index for in-house costs due to small or large size
- 101.9% = Navajo area cost index for health status above or below average

Cost Adjustment Calculations

- \$620 per person for purchased services = $20\% * 105.3\% * \$2,980$
- \$2,089 per person for in-house services = $80\% * 87.3\% * \$2,980$
- \$2,709 per person total = \$620 (purchase) + \$2,089 (in-house)
- **\$2,761 per person total** adjusted for health status = $\$2,709 * 101.9\%$
- **\$2,016 per person net cost** = $\$2,761 - \745 Other resources (M&M&PI)

Existing Expenditures (for 29,037 users excluding wrap-around and collections)

- \$616 per person = local IHS allowance (excludes \$ for wrap-around)
- \$273 per person = expenditures elsewhere in Navajo area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$942 per person for OU users** = $\$616 + \$273 + \$54$

LNF Calculation

- **34.1% Gross LNF** = $\$942$ (expenditures) / $\$2,761$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **46.8% Net LNF** = $\$942 / \$2,016$ net cost ($\$2,761 - \745 other)

IHCIF Allocation

- \$7,750,220 = \$ to raise LNF% from 46.8% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$270,328 Allocation** = $\$7,750,220$ needed for 60% * 3.488% IHCIF fraction

TUBA CITY Unmet Needs

- **\$58,527,394 Net Total Need** = 29,037 users * \$2,016 net cost
- **\$31,161,177 Net Unmet Need** = $(100\% - 46.8\% \text{ LNF}) * 29,037 \text{ users} * \$2,016 \text{ net cost}$